

By: Harris

S.B. No. 227

A BILL TO BE ENTITLED

AN ACT

relating to the perfection of a child support lien on a motor vehicle.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 157.316, Family Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) If a lien established under this subchapter attaches to a motor vehicle, the lien must be perfected in the manner provided by Chapter 501, Transportation Code, and unless the lien is asserted by the Title IV-D agency as described by Subsection (c), the court [~~or Title IV-D agency~~] that rendered the order of child support shall include in the order a requirement that the obligor surrender to the court [~~or Title IV-D agency~~] evidence of the legal ownership of the motor vehicle against which the lien may attach. A lien against a motor vehicle under this subchapter is not perfected under this subsection until the obligor's title to the vehicle has been surrendered to the court [~~or Title IV-D agency~~] and the Texas Department of Transportation has issued a subsequent title that discloses on its face the fact that the vehicle is subject to a child support lien under this subchapter.

(c) The Title IV-D agency may perfect a lien asserted by the Title IV-D agency against a motor vehicle under this subchapter in the manner provided by Section 501.1135, Transportation Code.

1 SECTION 2. Section 157.322, Family Code, is amended to read
2 as follows:

3 Sec. 157.322. MANDATORY RELEASE OF LIEN. (a) On payment in
4 full of the amount of child support due, together with any costs and
5 reasonable attorney's fees, the child support lien claimant shall
6 execute and deliver to the obligor or the obligor's attorney a
7 release of the child support lien. If the Title IV-D agency
8 asserted a child support lien against a motor vehicle, the agency
9 shall deliver to the obligor or the obligor's attorney a discharge
10 of the lien under Section 501.115, Transportation Code.

11 (b) The release or discharge of the child support lien is
12 effective when:

13 (1) filed with the county clerk with whom the lien
14 notice or abstract of judgment was filed; or

15 (2) delivered to any other individual or organization
16 that may have been served with a lien notice under this subchapter.

17 SECTION 3. Section 501.113(a), Transportation Code, is
18 amended to read as follows:

19 (a) Except as provided by Section 501.1135, recordation
20 [Recordation] of a lien under this chapter is considered to occur
21 when the county assessor-collector:

22 (1) is presented with an application for a certificate
23 of title that discloses the lien with tender of the filing fee; or

24 (2) accepts the application.

25 SECTION 4. Subchapter F, Chapter 501, Transportation Code,
26 is amended by adding Section 501.1135 to read as follows:

27 Sec. 501.1135. PERFECTION AND RECORDATION OF CHILD SUPPORT

1 LIEN. (a) In this section:

2 (1) "Obligor" has the meaning assigned by Section
3 101.022, Family Code.

4 (2) "Title IV-D agency" has the meaning assigned by
5 Section 101.033, Family Code.

6 (b) The Title IV-D agency may perfect a child support lien
7 asserted by the Title IV-D agency on a motor vehicle registered in
8 this state by delivering to the department a copy of the child
9 support lien notice issued by the Title IV-D agency under
10 Subchapter G, Chapter 157, Family Code. The child support lien
11 notice must contain the information required by Section 157.313,
12 Family Code, including the identification number of the motor
13 vehicle against which the lien is asserted.

14 (c) On receiving a copy of a child support lien notice from
15 the Title IV-D agency under Subsection (b), if the department finds
16 a record of a certificate of title issued in the name of the
17 obligor, the department shall process the lien and issue a new
18 certificate of title that discloses on its face the fact that the
19 vehicle is subject to a child support lien asserted by the Title
20 IV-D agency under Subchapter G, Chapter 157, Family Code.

21 (d) A lien perfected under this section does not affect the
22 validity or priority of a conveyance of an interest in the motor
23 vehicle, a lien of a holder of a security interest in the motor
24 vehicle, or a vendor's lien on the motor vehicle established before
25 the date the child support lien was perfected on the certificate of
26 title.

27 (e) A certificate of title issued under this section is

1 exempt from the fee imposed under Section 501.138.

2 (f) The department and the Title IV-D agency by rule shall
3 adopt procedures for the implementation of this section.

4 SECTION 5. The Texas Department of Transportation and the
5 Title IV-D agency shall adopt the rules required by Section
6 501.1135(f), Transportation Code, as added by this Act, as soon as
7 practicable after the effective date of this Act.

8 SECTION 6. This Act takes effect September 1, 2007.